

**EXHIBIT
26, PART F**

1 Estate of Marilyn Monroe: LASC No. 453,330

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3 arrange for storage of all of the items involved. However.

4 before the furniture and furnishings were s-

5 chaser of the real property requested the attorney

6 buying certain of the items that were to be used

7 for use in the house. Petitioner's attorneys, therefore,

8 met with the Buyer, so that the latter could designate which

9 items he desired. Thereafter, petitioner's attorneys had

10 these items separately appraised so that they

11 at not less than the appraised value, and prepared the

12 Return of Sale of Personal Property and the Order based

13 thereon, and drew the necessary documents to complete the

14 transaction. Said attorneys then arranged with the Special

15 Administratrix so that prior to delivery of possession of the

16 house to the buyer, all the remaining items of furniture and

17 furnishings could be boxed and stored with a warehouse.

18 Petitioner's said attorneys estimate that they

19 expended ten (10) hours in connection with the foregoing ser-

20 vices.

21 4. Extraordinary Services Re Creditors' Claims:

22 Following decedent's death, there were thirty-five

23 creditors' claims filed against the estate in California.

24 While petitioner's attorneys recognize that the prosecuting

25 of creditors' claims is part of the normal duties of admin-

istration, for which statutory fees are allowed, said

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3 Attorneys point out that, in this estate, a portion of the
 4 services were extraordinary in that there was no one alive in
 5 a position to advise as to the accuracy of the
 6 or the extent of decedent's outstanding debts.
 7 Consequence, said attorneys had to make individual
 8 consultations with respect to said claims, which involved, with
 9 other things, separate meetings with many of the claimants
 10 to examine into the nature of the claim.

11 Furthermore, in connection with the claim of Mrs.

12 Bright, the interior decorator, it was necessary to analyze

13 a large number of items to determine whether there was a
 14 firm commitment or merely a proposed estimate which could
 15 be canceled. In this connection, petitioner's attorney
 16 arranged to cancel an order for a rug from Mexico, which had
 17 been ordered and woven to size in Mexico and was at that time
 18 being held for delivery. In addition, there were demands
 19 from the Los Angeles Bureau of Customs regarding a carton
 20 containing a specifically constructed chest, which the Bureau

21 of Customs was holding for transportation and storage charges.
 22 Upon investigation, it appeared that the decedent had paid

23 \$360.00 for the chest and that the total charges to redeem
 24 amounted to approximately \$300.00. After several consulta-

25 tions with the interior decorator, petitioner's attorney
 26 recommended to the ancillary executor that the chest not be

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3 redeemed but that the Bureau of Customs be allowed to sell
4 it for the charges.

5 In connection with the creditor's claim
6 Artists, Ltd., said attorneys were engaged to handle
7 extensive agency contracts in order to advise the ancillary
8 executor as to the basis for the claim and its propriety.
9 Subsequently, when the time came to pay the claims, said
10 attorneys suggested to the ancillary executor the arrangement
11 whereby the creditor's claim of MCA Artists, Ltd., would be
12 paid out of the domiciliary probate estate in New York, so
13 that the claim, including the contingent portion thereto,
14 could be released in California, the ancillary administration
15 be released in California and the administration terminated.
16 Said attorneys, further, handled the negotiations with respect
17 thereto, insofar as the California representatives of the
18 claimant were involved.

19 Petitioner's said attorneys estimate that their services
20 in connection with the handling of those aspects of the
21 creditors' claims set forth above, over and apart from the
22 normal services of handling creditors' claims, involved ap-
23 proximately twenty-five (25) hours of time.

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EXHIBIT III

(22)

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10. MAILED IN MONROE: NO. 458, 335

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3 such determination, none of decedent's contract rights
4 were included in measuring such tax in California.

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6 Petitioner's attorneys assembled the
7 information with respect to the California rights

8 and obligations of decedent for the preparation

9 Federal Estate Tax Return and in connection with

10 Notice of Levy from the U.S. Treasury Department,

11 Internal Revenue Service, for federal estate taxes

12 in the sum of approximately \$135,000.00 which was

13 served on said attorneys, and worked with the

14 domiciliary executor in ultimately obtaining the

15 necessary evidence of payment and the formal

16 Release of Levy.

17 Said attorneys allege that they expended
18 more than twenty (20) hours in connection with the
19 foregoing complicated tax matters.

20 (b) Upon decedent's death, her estate became
21 entitled to a percentage of the receipts
22 from various motion pictures, including "Some Like
23 It Hot" and "The Misfits", on a continuing basis. The
24 moneys involved were paid to the domiciliary executor
25 in New York and income tax returns reporting such
26 receipts were filed, and taxes paid thereon, in my U.S.

27 In 1971, when the ancillary executor herein
28 prepared to file his Petition for Final Distribution,

EXHIBIT 11

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3 he sought an Income Tax Certificate from the
4 Franchise Tax Board in accordance with the then
5 applicable requirements of law. The Franchise
6 Tax Board responded with a claim that petitioner
7 owed the State of California fiduciary income
8 taxes for the years 1963 through 1970, based upon
9 the estate's share of gross receipts from the
10 above entitled pictures attributable to defendant's
11 services rendered in California.

12 In accordance with instructions furnished
13 by petitioner's attorneys herein, the accountants
14 for the estate prepared appropriate fiduciary income
15 tax returns for the years in question and submitted
16 them to the Franchise Tax Board under protest.

17 Extensive negotiations and discussions were then
18 carried on between said attorneys and representa-
19 tives of the Franchise Tax Board with respect to
20 the legal position of the estate that such income
21 was not subject to tax. After considering the legal
22 arguments asserted by the attorneys herein, the

23 Franchise Tax Board served notice of proposed assess-
24 ments of tax against the ancillary executor for the
25 years 1963 through 1970. Petitioner, through
26 his attorneys, appealed from such assessments.

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3 The point in issue in the proceeding was a
4 completely novel point of law; namely, what the California
5 Revenue and Taxation Code and regulations
6 thereunder permitted the taxation of
7 ~~income~~ source of income of receipts from contracts which had
8 been valued for tax purposes as assets of decedent's
9 domiciliary estate and were passively received by
10 such domiciliary estate outside of California.
11 The question involved matters of constitutional
12 statutory construction and the interpretation
13 of the Franchise Tax Board's own rulings.

14 Extensive research was carried on by said
15 attorneys, both with respect to the facts and the
16 law; an opening brief and a reply brief were filed
17 in support of the estate's position. The matter
18 came on for hearing before the Board of Equalization
19 and was orally argued at length before the full
20 Board in December, 1973.

21 In 1975, the Board of Equalization ultimately
22 affirmed the Franchise Tax Board's determination of
23 tax. The taxes, penalties and interest involved
24 totaled approximately \$93,000. Before determining
25 whether or not to appeal further, said attorney
26 discussed with the Franchise Tax Board, and subse-
27 quently with the California Attorney General's office.

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3 the possibility of settlement. Negotiations were
4 conducted on the basis that this was a matter of
5 first impression, that there were substantial
6 issues of law which the courts would have to
7 upon, and that it was advantageous both to the
8 State and to the estate to dispose of the matter
9 as promptly as possible on a reduced basis.

10 Ultimately, after said attorneys, with the approval
11 of petitioner, had prepared and submitted various
12 proposals, the State of California agreed to a
13 settlement which waived all penalties and accepted
14 the sum of approximately \$52,000, as payment in
15 full. The domiciliary estate supplied a substan-
16 tial portion of the funds necessary to make this
17 settlement possible. Said attorneys reviewed and
18 approved the settlement documents prepared. Said
19 attorneys then prepared a Petition for Order
20 ~~approving the Settlement Agreement~~ (REDACTED) (REDACTED)
21 ~~and filed the same with the Court, and after approval by~~
22 ~~the Court, prepared the Order of Approving Compro-~~
23 ~~mise. Payment has been effected and the action~~
24 ~~is now dismissed.~~

25 In the preparation of the briefs, negotiations,
26 hearing, argument and settlement procedures, said
27 attorneys have expended in excess of one hundred
28 (100) hours.

EXHIBIT III

(27)

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